

Senate State & Local Government Committee Amendment

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by deleting all the language following the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 2, Chapter 10, is amended by adding the following as a new part 3:

SECTION 2-10-301.

(a) This part shall be known and may be cited as the "Campaign Contribution Limits Act of 1995".

(b) The registry of election finance shall have the jurisdiction to administer and enforce the provisions of this part.

SECTION 2-10-302.

(a) No person shall make contributions to any candidate with respect to any election which, in the aggregate, exceed:

(1) for an office elected by statewide election, two thousand five hundred dollars (\$2,500);

(2) for the offices of state senate, district attorney general, district public defender, circuit court judge, criminal court judge, chancellor, circuit court clerk and criminal court clerk, one thousand five hundred dollars (\$1,500);

(3) for the office of state house of representatives, five hundred dollars (\$500);

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(4) for any other local public office, five hundred dollars (\$500) if the election is held in a county of class 4, 5, 6, 7 or 8 as defined in Section 8-24-101, one thousand dollars (\$1,000) if the election is held in a county of class 3, and one thousand five hundred dollars (\$1,500) if the election is held in a county of class 1 or 2; and

(5) for any delegate to a Tennessee constitutional convention, one thousand five hundred dollars (\$1,500) if the convention has thirty-three (33) delegates or less and five hundred dollars (\$500) otherwise.

(b) No multicandidate political campaign committee shall make contributions to any candidate with respect to any election which, in the aggregate, exceed:

(1) for an office elected by statewide election, ten thousand dollars (\$10,000);

(2) for the offices of state senate, district attorney general, district public defender, circuit court judge, criminal court judge, chancellor, circuit court clerk and criminal court clerk, six thousand dollars (\$6,000); and

(3) for the office of state house of representatives, two thousand dollars (\$2,000);

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(4) for any other local public office, two thousand dollars (\$2000) if the election is held in a county of class 4, 5, 6, 7 or 8 as defined in Section 8-24-101, four thousand dollars (\$4,000) if the election is held in a county of class 3, and six thousand dollars (\$6,000) if the election is held in a county of class 1 or 2; and

(5) for any delegate to a Tennessee constitutional convention, six thousand dollars (\$6,000) if the convention has thirty-three (33) delegates or less and two thousand dollars (\$2,000) otherwise.

(c) No candidate shall make contributions to his own election using personal funds with respect to any election which, in the aggregate, exceed:

(1) for an office elected by statewide election, two hundred thousand dollars (\$200,000); and

(2) for any other state or local public office, twenty thousand dollars (\$20,000).

(d) The following aggregate limits for each election shall be imposed on contributions received by each candidate for the following offices from multicandidate political campaign committees:

(1) State House of Representatives	\$20,000
(2) State Senate	40,000
(3) Public Service Commission	100,000

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(4) Governor

500,000.

In determining the aggregate limits established by this subsection, contributions made to a candidate by a committee controlled by a political party on the national, state, or local level or by a caucus of such political party established by members of either house of the general assembly are included except as provided in §2-10-306(b).

SECTION 2-10-303. For purposes of the limitations contained in this part:

(a) Contributions made to any political campaign committee authorized by a candidate to accept contributions on the candidate's behalf shall be considered to be contributions made to such candidate;

(b) Contributions made by a political campaign committee authorized by a candidate to make expenditures on the candidate's behalf shall be considered contributions made by such candidate;

(c) All contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate. The intermediary or conduit shall report the original source and the intended recipient of such contribution to the registry of election finance and to the intended recipient;

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(d) All contributions made by affiliated political campaign committees shall be considered to have been made by a single committee;

(e) Expenditures made by any person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, the candidate's political campaign committees, or their agents, shall be considered to be a contribution to such candidate. For purposes of this subsection, the financing by any person of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate, the candidate's political campaign committees, or their authorized agents shall be considered to be an expenditure; and

(f) Any expenditures made on behalf of a candidate by a political campaign committee controlled by a political party on the national, state, or local level or by a caucus of such political party established by members of either house of the general assembly, whether advocating election of a candidate or the defeat of a candidate's opponent, are deemed to be authorized by the candidate, and such expenditures shall count as contributions with respect to the limits established by this part.

SECTION 2-10-304.

(a) The limitations contained in this part shall not apply to any loan of money by a financial institution as defined in Section 45-10-102(3) that:

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(1) Is made in accordance with applicable law and in the ordinary course of business;

(2) Is made on a basis reasonably designed to assure repayment, evidenced by a written instrument, and subject to a payment due date or amortization schedule; and

(3) Bears the usual and customary interest rate of the lending institution.

(b) An endorsement or guaranty of a loan made pursuant to subsection (a) shall be considered a contribution in the amount of the endorsement or guaranty and shall be subject to the limitations contained in this part. Where the written instrument does not specify the portion of the loan for which the endorser or guarantor is liable, each endorser or guarantor shall be considered to have made a contribution in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

SECTION 2-10-305.

(a) The limits contained in this part shall not apply to:

(1) The retention of funds by a candidate pursuant to Section 2-10-114(a)(1); or

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(2) the transfer of funds by a candidate pursuant to Section 2-10-114(a)(1) to a campaign fund of the same candidate for election to a different state or local public office.

(b)

(1) The transfer of funds from a candidate's campaign committee or account for a federal election to his or her principal campaign committee or other authorized committee for a non-federal election in Tennessee is prohibited. However, at the option of the federal committee, the federal committee may refund contributions and may coordinate arrangements with the candidate's principal campaign committee or other authorized committee for a solicitation by such committee(s) to the same contributors. The full cost of this solicitation shall be paid by the non-federal committee.

(2) The General Assembly recognizes that the Federal Election Commission has promulgated the rule at 11 C.F.R. 110.3(d), which prohibits the transfer of non-federal election campaign funds to federal election campaigns. In the event that this rule should be deleted or repealed, this subsection (b) will be rendered null and void.

SECTION 2-10-306.

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(a) All contributions made by political campaign committees controlled by a political party on the national, state, or local level or by a caucus of such political party established by members of either house of the general assembly shall be considered to have been made by a single committee. Such contributions shall not, in the aggregate, exceed:

(1) Ten thousand dollars (\$10,000) per election to any candidate for the State House of Representatives;

(2) Twenty thousand dollars (\$20,000) per election to any candidate for the State Senate;

(3) Fifty thousand dollars (\$50,000) per election to any candidate for the Public Service Commission;

(4) Two hundred fifty thousand dollars (\$250,000) per election to any candidate for governor;

(b) For purposes of this section contributions shall not include:

(1) Payment of the costs of preparation, display or mailing or other distribution with respect to printed slate cards, sample ballots, or other printed listings of three (3) or more candidates who are opposed for election. This exemption shall not apply to costs incurred with respect to the preparation and display of listings made on broadcasting stations or in

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newspapers, magazines and similar types of general public political
advertising such as billboards;

(2) Payment of the costs of voter registration and get-out- the-
vote activities conducted by party committees, unless the payments are
made on behalf of a clearly identified candidate and the payment can be
directly attributed to that candidate;

(3) Expenditures for rent, personnel, overhead, general
administrative, fundraising, and other day-to-day costs of party
committees, unless the expenditures are made on behalf of a clearly
identified candidate and the expenditure can be directly attributed to that
candidate; or

(4) Expenditures for education campaign seminars and for
training of campaign workers, unless the expenditures are made on
behalf of a clearly identified candidate and the expenditure can be directly
attributed to that candidate.

SECTION 2-10-307. A contribution made or accepted in excess of the limitations
established by this part shall not be a violation of this part if the candidate or the political
campaign committee returns or refunds the contribution to the person who made the
contribution when the next disclosure report is filed. The receipt of such excess
contributions and their return shall be disclosed on such report. The registry may

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request documented proof of compliance of such return or refund of a contribution made or accepted in excess of the limitations established by this part.

SECTION 2-10-308.

(a) The registry of election finance may impose a maximum civil penalty for a violation of this part of not more than ten thousand dollars (\$10,000) or one hundred fifteen percent (115%) of the amount of all contributions made in excess of the limitations established by this part, whichever is greater.

(b) Penalties imposed under this part shall be deposited into the state general fund.

(c) To request a waiver or reduction or in any way to contest a penalty imposed by the staff of the registry, a person shall file a petition with the registry. Such petition shall be considered as a contested case proceeding under the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5.

SECTION 2-10-309. In determining issues arising in regard to this act, the registry may rely on the precedents established under the federal law.

SECTION 2. Tennessee Code Annotated, Section 2-10-102, is amended by deleting the fifth word in the section, "part", and substituting in its place the word "chapter".

SECTION 3. Tennessee Code Annotated, Section 2-10-102, is amended by adding the following new subdivisions to be appropriately designated:

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() "Affiliated political campaign committees" means political campaign committees established, financed, maintained, or controlled by any corporation, labor organization, or any other person, including any parent, subsidiary, branch, division, department, or local unit of such corporation, labor organization, or any other person, or by any group of such persons.

(A) All committees established, financed, maintained or controlled by a single corporation and/or its subsidiaries shall be affiliated political campaign committees.

(B) All committees established, financed, maintained or controlled by a single national or international union and/or its local unions or other subordinate organizations shall be affiliated political campaign committees.

(C) All committees established, financed, maintained or controlled by an organization of national or international unions and/or all its state and local central bodies shall be affiliated political campaign committees, but such committees shall not be affiliated with the political campaign committees established, financed, maintained or controlled by any union that is a member of the organization.

(D) All committees established, financed, maintained or controlled by a membership organization, other than political party committees, including trade

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or professional associations and/or related state and local entities of that organization or group shall be affiliated political campaign committees.

(E) All committees established, financed, maintained or controlled by the same person or group of persons shall be affiliated political campaign committees.

(F) Owners, officers, employees, members or other individuals associated with any corporation, labor organization, membership organization, or any other person or group of persons that has established, financed, maintained or controlled a political campaign committee shall not be considered affiliated with such political campaign committee.

() "Personal funds" means:

(A) any assets which the candidate had legal right of access to or control over at the time he or she became a candidate and with respect to which the candidate had either (i) legal and rightful title, or (ii) an equitable interest;

(B) salary and other earned income from bona fide employment; dividends and proceeds from the sale of the candidate's stocks or other investments; bequests to the candidate; income from trusts established before candidacy; income from trusts established by bequest after candidacy of which the candidate is the beneficiary; gifts of a personal nature which had been customarily received prior to candidacy; and

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(C) that portion of assets jointly owned with the candidate's spouse which is the candidate's share under the instruments of conveyance or ownership. If no specific share is indicated by such instrument, the value of one-half (1/2) of the property used shall be considered as personal funds.

SECTION 4. Tennessee Code Annotated, Section 2-10-205, is amended by deleting the word “and” at the end of subsection (2), by deleting the period “.” at the end of subsection (3) and substituting in its place the punctuation and word “; and”, and by adding the following as a new subsection:

(4) The “Campaign Contribution Limits Law,” compiled in part 3 of this chapter.

SECTION 5. Tennessee Code Annotated, Section 2-10-207(1), is amended by deleting the word “part” and by substituting instead the word “chapter”.

SECTION 6. Tennessee Code Annotated, Section 2-10-207(7), is amended by deleting the word “and” between the words “chapter 6” and the word “the” and by adding between the words “part 5” and the semicolon “;” the words “and the Campaign Contribution Limits Act, compiled in part 3 of this chapter”.

SECTION 7. Tennessee Code Annotated, Section 2-10-207(3), is amended by deleting the language “ the appropriate disclosure statutes” and by substituting instead the language “this chapter and the Conflict of Interest Disclosure Law, compiled in title 8, chapter 50, part 5”.

SECTION 8. Tennessee Code Annotated, Section 3-6-108, is amended by adding the following new subdivision to be appropriately designated:

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() No lobbyist shall make a contribution to any candidate for the office of governor, member of the general assembly or public service commission.

SECTION 9. Tennessee Code Annotated, Section 2-10-105(c)(1), is amended by adding the following sentence at the end of that subsection:

Each independent candidate for a state or local public office, which office has a primary election, shall file all primary reports required by this subsection, even though such independent candidate is not included on the ballot in such primary election.

SECTION 10. Tennessee Code Annotated, Section 2-10-110, is amended by adding the following new subsection (d) and by relettering the present subsection (d) accordingly:

A candidate for state or local public office who fails to file any statement or report required by this part shall be ineligible to qualify for election to any state or local public office until such statement or report is filed with the registry and/or the appropriate county election commission.

SECTION 11. Tennessee Code Annotated, Title 2, Chapter 10, Part 1 , is amended by adding the following as a new section to be appropriately designated:

Section ____.(a) Except to the extent permitted below, after the general election, or the primary election with respect to a losing primary candidate, a candidate for election to local, state, or federal office in that election shall not solicit or accept contributions from any source for the purpose of retiring a personal loan or loan guaranteed by the candidate incurred in the election campaign or use contributions

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received after the election to retire such personal loan or loan guaranteed by the candidate. Notwithstanding this limitation, any such candidate may solicit or accept contributions for not more than fifteen thousand dollars (\$15,000) within sixty (60) days of the final election to retire such loan.

(b) This section shall be prospective only in application and shall not apply to election campaigns or debt incurred prior to the effective date of this act.

SECTION 12. Tennessee Code Annotated, Title 2, Chapter 10, Part 1, is amended by adding the following new section:

(a) From January 1 of each year to the earlier of May 15 or the conclusion of the annual legislative session, a political campaign committee controlled by a political party on the national, state, or local level or by a caucus of such political party established by members of either house of the general assembly may not conduct a fundraiser for the benefit of any candidate for or member of the general assembly.

(b) From January 1 of each year to the earlier of May 15 or the conclusion of the annual legislative session, a member or a candidate for the general assembly or a member's or a candidate's campaign committee may not conduct a fundraiser for the benefit of any member or candidate for the general assembly.

SECTION 13. Tennessee Code Annotated, Section 3-6-112(b), is amended by deleting the subsection in its entirety and substituting instead the following:

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(b)(1) It shall be unlawful for any public service commissioner or any candidate therefor to knowingly solicit or accept contributions for election or reelection to such office in a primary or general election from any employee, owner, major stockholder, or officer of a company or business entity regulated by or seeking regulation by the public service commission pursuant to Sections 65-3-123, 65-4-104, 65-4-201, 65-15-107, 65-15-108 and 65-30-105.

(2) It shall be unlawful for any public service commissioner or candidate therefor to knowingly solicit or accept contributions for election or reelection to such office in a primary or general election from any political action committee or group which obtains more than fifty percent (50%) of its funding from employees, owners, officers, or major stockholders of any organization which is regulated by or seeking regulation by the public service commission pursuant to Sections 65-3-123, 65-4-104, 65-4-201, 65-15-107, 65-15-108 and 65-30-105.

(3) No candidate for state, local or federal office shall contribute any of the candidate's campaign funds to any public service commissioner or candidate therefor if such candidate accepts contributions from:

(A) Any employee, owner, major stockholder, or officer of a company or business entity which is regulated by or seeking regulation by the public service commission pursuant to §§ 65-3-123, 65-4-104, 65-4-201, 65-15-107, 65-15-108 and 65-30-105; or

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(B) Any committee which obtains more than fifty percent (50%) of its funding from employees, owners, major stockholders or officers of any organization which is regulated by or seeking regulation by the public service commission pursuant to §§ 65-3-123, 65-4-104, 65-4-201, 65-15-107, 65-15-108 and 65-30-105.

SECTION 14. Tennessee Code Annotated, Section 2-10-105(c), is amended by adding the following new subdivision:

(6) Notwithstanding the filing times for post election reports established by the other provisions of this subsection:

(A) Each candidate for a state public office who is required to file a post election report for a May primary shall file such report ten (10) days following the first day of July. Each report shall include transactions occurring since the preceding report through June 30.

(B) Each candidate for a state public office who is required to file a post election report for a regular August election shall file such report ten (10) days following the first day of September. Each report shall include transactions occurring since the preceding report through September 30.

(C) Each candidate for a state public office who is required to file a post election report for a regular November election shall file such report ten (10) days

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following the first day of January. Each report shall include transactions
occurring since the preceding report through December 31.

SECTION 15. Tennessee Code Annotated, Section 2-10-113, is amended by deleting
the section in its entirety.

SECTION 16. If any provision of this act or the application thereof to any person or
circumstance is held invalid, then all provisions and applications of this act are declared to be
invalid and void.

SECTION 17. This act shall take effect on July 1, 1995, the public welfare requiring it,
and shall only apply to contributions or expenditures made after that date.